

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
ETC Annual Reports and Certifications)	WC Docket No. 14-58
)	
Rural Broadband Experiments)	WC Docket No. 14-259
To: The Commission		

**Statement in Support of
Joint Petition for Reconsideration
of the
National Rural Electric Cooperative Association and Utilities Technology Council**

Orcas Power and Light Cooperative submits this Statement in Support of the Joint Petition for Reconsideration submitted by NRECA and UTC that seeks reconsideration of the decision in the Report and Order and Further Notice of Proposed Rulemaking adopted on May 25, 2016,¹ to exclude census blocks in non-winning Category 1 bid rural broadband experiment applications in which (i) a price cap carrier serves with speeds of at least 10/1 Mbps or (ii) an unsubsidized competitor provides service, based on recent Form 477 data.²

INTRODUCTION

Orcas Power and Light Cooperative is an electric co-op in rural San Juan County, Washington, founded in 1937. We serve a remote archipelago with approximately 15,000 meters, and we have built a fiber-optic network to manage our electric grid. For Internet service in our area, DSL provided by our incumbent ILEC is the only technology available to most residents. Internet

¹ *Connect America Fund et al.*, WC Docket No. 10-90 et al, Report and Order and Further Notice of Proposed Rulemaking, FCC 16-64, rel. May 27, 2016 (“Report and Order”).

² *Id.* at paras. 70 and 72, n. 144.

service is very poor throughout most of the County, with 1.5 Mbps frequently the best people can get, due to long copper loop lengths. Contracted speeds are often reduced significantly due to network congestion - it is not uncommon for residents who are paying for 10 Mbps DSL to find their actual speed is a third of that. The incumbent ILEC has not addressed this need because of the economics of serving this remote, physically challenging environment. This situation has become an economic crisis for San Juan County, affecting property values as well as impeding businesses. In response, our Co-op began many years ago to serve local anchor institutions with fiber optic connections into our grid control backbone. In 2015, we established a subsidiary company, Island Network LLC, to expand this effort to residents and local businesses via FTTP. Island Network submitted an application for participation in Rural Broadband Experiments, including Category 1, but was not selected. We have a solid network backbone, and a staff with the skills and experience to address these issues, but our progress is continually limited by a lack of funds. Access to the Connect America Fund would have a tremendous impact on our ability to bring service to our remote community.

DISCUSSION

- Orcas Power and Light strongly supports NRECA and UTC's points that the Commission ruled clearly and unequivocally in December 2014 regarding the interplay between the Rural Broadband Experiments and the Phase II CAF auction:

*"We conclude that excluding from the offer of model-based support any census block included in a non-winning rural broadband experiment application submitted in funding category one will ensure the more efficient use of Connect America support."*³

³ *Connect America Fund et al*, Report and Order, 29 FCC Rcd 15644 (2014) ("December 2014 Connect America Order").

- The reversal of this ruling with neither notice nor opportunity for comment violates both the letter and spirit of Section 553 of the Administrative Procedure Act.⁴ We relied on the FCC's statements, believing the agency meant what it said when it ruled that all census blocks in non-winning Category 1 applications would be included in the CAF II auction.
- Island Network LLC is ready to immediately deliver to the community if we can access the funds we need. Our team has the skills needed, and we have demonstrated the ability to deliver connections, with over 500 customers already connected to our network. There are thousands of locations within the census blocks listed in our RBE application that we stand ready to address. The exclusion from the auction of census blocks in our non-winning Category 1 bid essentially prevents us from addressing our community's needs.
- By excluding census blocks from non-winning Category 1 applications from the Phase II auction in which the price cap carrier offers 10/1 Mbps, even though the Baseline Performance Tier adopted in the Report and Order is 25/3 Mbps, the Report and Order actually extends the digital divide – the closure of which is a main reason electric cooperatives are proposing to build and maintain broadband networks. Our Cooperative stands ready to serve our community, and we urge you to reverse this order and allow access to these funds to help us do just that.

Respectfully submitted,



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⁴ 5. U.S.C. §553 (2012).